

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re)	
)	Chapter 9
CITY OF DETROIT, MICHIGAN,)	
)	Case No. 13-53846
Debtor.)	
)	Hon. Steven W. Rhodes

**STATEMENT OF CERTAIN OBJECTORS REGARDING LENGTH OF HEARING ON
THE MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING THE
ASSUMPTION OF THAT CERTAIN FORBEARANCE AND OPTIONAL
TERMINATION AGREEMENT PURSUANT TO SECTION 365(a) OF THE
BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT PURSUANT TO RULE
9019, AND (III) GRANTING RELATED RELIEF**

As announced at the last hearing, the Court indicated it would allow six (6) hours of hearing time on the Motion of the Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (ii) Approving such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief (hereinafter, the “**Assumption Motion**”). On August 22, 2013, the Court referred the Assumption Motion to mediation. That mediation is scheduled to commence on Thursday, August 29, 2013. Also on August 22, 2013, the Court scheduled a status conference on the Assumption Motion for this Wednesday, August 28, 2013 at 10 a.m. (the “**Status Conference**”).

In the event the matters involving the Assumption Motion cannot be successfully mediated prior to the scheduled hearing date on September 9, 2013, the Objectors, identified below, file this Statement, in advance of the Status Conference, requesting that the Court grant additional hearing time for the orderly and full presentation of the evidence and arguments in connection with the Assumption Motion.

**The Objectors Need Additional Time for an Orderly and Full
Presentation of the Evidence and Argument at the Hearing on the
Assumption Motion**

1. Thirteen parties filed pleadings in connection with the Assumption Motion. Some parties filed limited objections and reservations of rights whereas other parties filed full-blown objections.¹

2. The positions expressed by the Objectors in their respective filings are not aligned and, in some cases, are directly adverse. Nevertheless, the Objectors have been working cooperatively to insure that all Objectors have sufficient time to develop the facts they need for the hearing and to be able to present their case.

3. In discussing the presentation of the evidence and arguments, it became clear that it would be very difficult if not impossible for each of the Objectors to present its complete case (evidence and legal argument) within the three (3) hours allotted to all the Objectors without the risk that the presentations would be so truncated so as to (i) not be helpful to the Court, or (ii) not fully advocate each Objector's position.

4. The Objectors believe that before they can make legal argument on the propriety of the Assumption Motion, the Court must have a full record:

- a) that explains the swap transactions, the documents related to the swap transactions and the structure related to the Series 2006-B certificates of participation;
- b) that explains all the events surrounding the negotiation and execution of the Forbearance and Optional Termination Agreement; and

¹ For ease of reference, all the parties that filed pleadings will be referred to collectively as the "Objectors."

- c) that explains the Debtor's intentions with respect to performance under the Forbearance and Optional Termination Agreement, including the sources of revenue to fund any termination payment and the Debtor's need for additional liquidity.

5. While the Objectors will be guided by the Court's instructions and prepare accordingly, the Objectors believe that it will take at least three hours to develop this record through the examination of witnesses and the presentation of documentary evidence. Consequently, the Objectors request an additional three hours to insure that the factual record is first fully developed in an orderly fashion that aids the Court and argument can be presented.

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Dated: August 27, 2013

Respectfully submitted,

By: /s/ Vincent J. Marriott, III
Howard S. Sher
JACOB & WEINGARTEN, P.C.
Somerset Place
2301 W. Big Beaver Road, Suite 777
Troy, Michigan 48084
Telephone: (248) 649-1200
Facsimile: (248) 649-2920
E-mail: howard@jacobweingarten.com

-and-

Vincent J. Marriott, III
BALLARD SPAHR LLP
1735 Market Street, 51st Flr.
Philadelphia, PA 19103
Phone: 215.864.8236
Fax: 215.864.9762
Email: marriott@ballardspahr.com

-and-

Matthew G. Summers
BALLARD SPAHR LLP
919 North Market Street, 11th Floor
Wilmington, Delaware 19801
Telephone: (302) 252-4428
Facsimile: (410) 361-8930
E-mail: summersm@ballardspahr.com

*Attorneys for Erste Europäische Pfandbrieffund
Kommunalkreditbank Aktiengesellschaft in
Luxemburg S.A.*

By: /s/ Karen V. Newbury

Rick L. Frimmer

Karen V. Newbury

Michael W. Ott

SCHIFF HARDIN, LLP

233 S. Wacker Drive, Suite 6600

Chicago, IL 60606

Telephone: (312) 258-5600

Facsimile: (312) 258-5600

E-mail: rfrimmer@schiffhardin.com

E-mail: knewbury@schiffhardin.com

E-mail: mott@schiffhardin.com

Attorneys for DEPFA Bank PLC

By: /s/ Thomas R. Morris
Thomas R. Morris
Karin F. Avery
SILVERMAN & MORRIS, P.L.L.C.
30500 Northwestern Highway, Suite 200
Farmington Hills, Michigan 48334
Telephone: (248) 539-1330
Facsimile: (248) 539-1355
E-mail: morris@silvermanmorris.com
E-mail: avery@silvermanmorris.com

-and-

LIPPITT O'KEEFE, PLLC
Brian D. O'Keefe
Ryan C. Plecha
370 East Maple Road, 3rd Floor
Birmingham, Michigan 48009
Telephone: (248); 646-8292
Facsimile: (248) 646-8375
E-mail: bokeefe@lippitokeefe.com
E-mail: rplecha@lippitokeefe.com

Attorneys for Retiree Association Parties

By: /s/Meredith E. Taunt

Lynn M. Brimer (P43291)

Meredith E. Taunt (P69698)

Mallory A. Field (P75289)

STROBL & SHARP, P.C.

300 East Long Lake Road, Suite 200

Bloomfield Hills, MI 48304-2376

Telephone: (248) 540-2300

Facsimile: (248) 645-2690

lbrimer@stroblpc.com

mtaunt@stroblpc.com

mfield@stroblpc.com

Attorneys for Retired Detroit Police Members Association

By: /s/ Caroline Turner English

Carol Connor Cohen

Caroline Turner English

ARENT FOX LLP

1717 K Street, NW

Washington, DC 20036-5342

Telephone: (202) 857-6054

E-mail: Carol.Cohen@arentfox.com

-and-

David L. Dubrow

Mark A. Angelov

ARENT FOX LLP

1675 Broadway

New York, NY 10019

Telephone: (212) 484-3900

-and-

SCHAFFER AND WEINER, PLLC

Daniel J. Weiner (P32010)

Brendan G. Best (P66370)

40950 Woodward Ave., Suite 100

Bloomfield Hills, MI 48304

Telephone: (248) 540-3340

E-mail: bbest@schaferandweiner.com

Attorneys for Ambac Assurance Corporation

By: /s/ Guy S. Neal

Eric D. Novetsky

Louis P. Rochkind

JAFFE, RAITT, HEUER & WEISS, P.C.

2777 Franklin Road, Suite 2500

Southfield, MI 48034

Telephone: (248) 351-3000

Facsimile: (248) 351-3082

E-mail: enovetsky@jaffelaw.com

-and-

Jeffrey E. Bjork

SIDLEY AUSTIN LLP

555 West Fifth Street, Suite 4000

Los Angeles, CA 90013

Telephone: (213) 896-6000

Facsimile: (213) 896-6600

E-mail: jbjork@sidley.com

-and-

SIDLEY AUSTIN LLP

Guy S. Neal

1501 K Street, N.W.

Washington, DC 20005

Telephone: (202) 736-8000

Facsimile: (202) 736-8711

E-mail: gneal@sidley.com

Attorneys for National Public Finance Guarantee Corporation

By: /s/ Lawrence A. Larose

Lawrence A. Larose, Esq.

Samuel S. Kohn, Esq.

Carrie V. Hardman, Esq.

WINSTON & STRAWN LLP

200 Park Avenue

New York, NY 100166-4193

Telephone: (212) 294-6700

Facsimile: (212) 294-4700

E-mail: llarose@winston.com

E-mail: skohn@winston.com

E-mail: chardman@winston.com

-and-

Sarah T. Foss, Esq.

WINSTON & STRAWN LLP

1111 Louisiana, 25th Floor

Houston, TX 77002-5242

Telephone: (713) 651-2600

Facsimile: (713) 651-2700

E-mail: sfoss@winston.com

Attorneys for Assured Guaranty Municipal Corp.

By: /s/ Mark R. James

Ernest J. Essad Jr.

Mark R. James

WILLIAMS, WILLIAMS, RATTNER & PLUNKETT, P.C.

280 North Old Woodward Avenue, Suite 300

Birmingham, MI 48009

Telephone: (248) 642-0333

Facsimile: (248) 642-0856

E-mail: EJEssad@wwrplaw.com

E-mail: mrjames@wwrplaw.com

-and-

Alfredo R. Pérez

WEIL, GOTSHAL & MANGES LLP

700 Louisiana Street, Suite 1600

Houston, TX 77002

Telephone: (713) 546-5000

Facsimile: (713) 224-9511

E-mail: Alfredo.perez@weil.com

Attorneys for Financial Guaranty Insurance Company

By: /s/ Stephen C. Hackney
James H.M. Sprayregen, P.C.
Ryan Blaine Bennett
Stephen C. Hackney
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

-and-

Stephen M. Gross
David A. Agay
Joshua Gadharf
MCDONALD HOPKINS PLC
39533 Woodward Avenue
Bloomfield Hills, MI 48304
Telephone: (248) 646-5070
Facsimile: (248) 646-5075

Attorneys for Syncora Guarantee Inc. and Syncora Capital Assurance Inc.

Certificate of Service

I, Mark R. James, hereby certify that on August 27, 2013, I caused the foregoing *Statement of Certain Objectors Regarding Length of Hearing on the Motion of Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(A) of the Bankruptcy Code, (ii) Approving such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief* to be filed and served via the Court's electronic case filing and noticing system to all parties registered to receive electronic notices in this matter.

/s/ Mark R. James
